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December 2, 2003

The Honorable Ann Veneman
Secretary
United States Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

The Honorable Richard Nuber
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Dear Secretary Veneman and Chairman Nuber:

I write today seeking your immediate and cooperative attention to widely reported problems in grain transportation via the nation's railroad system.

Yesterday, the *Wall Street Journal* ran a front-page article detailing major difficulties in railroad transportation of grain, including rail car delays, a shortage of adequate rail cars and employees, and increased shipping costs for grain elevators and America's agricultural producers. In a specific example, a farmer-owned elevator in North Dakota was promised that by November 1st, a train would arrive to transport nearly 300,000 bushels of wheat awaiting shipment. Yet one month later, no train has arrived at this North Dakota facility and the elevator has quit purchasing wheat from farmers due to inadequate storage.

It appears this is the worst crisis in rail-grain transportation since the late 1990s, when a lack of rail cars and consolidation in the railroad industry created a host of similar problems. At that time, I asked your respective predecessors to join me in a summit to examine what government, railroads, grain shippers, and farmers could do together to avoid future bottlenecks in grain transportation.

As a result of my summit, the United States Department of Agriculture (USDA) and Surface Transportation Board (STB) signed a memorandum of understanding to create a joint grain logistics task force (announced on May 21, 1998). The task force was charged with the responsibility to establish a system to provide grain shippers and railroads with early warnings about the potential for service and congestion-related problems. Since that time, I am aware that USDA issues a weekly grain transportation report, which is supposed to provide shippers and others with key information about rail car availability.

In light of the recent transportation logjam, I urge USDA and the STB to examine why the tools developed by the task force in 1998 to avert rail transportation problems have not adequately avoided the most recent disruption.

Secretary Veneman and Chairman Nober

December 2, 2003

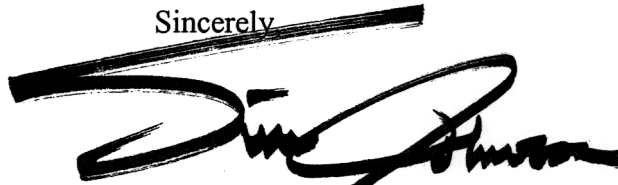
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I encourage you to analyze the usefulness of the grain transportation report and identify if the public-private effort to provide early warnings of potential service problems is working or not. During this examination, it is imperative that the railroad industry is held accountable for their activities or lack thereof. I am especially concerned by a report from South Dakota that while one railroad company has been unable to maintain reliable service, it is proposing to increase transportation rates charged to shippers in my state.

The current situation is unacceptable to grain shippers and agricultural producers who are too often captive to the decisions of large railroads. Unless steps are taken to break the logjam, United States farmers will face increased transportation costs and reduced marketing opportunities which can be crippling to a farm economy trying to recover from lingering drought conditions.

Please assure me you will do all you can to immediately address these problems and to identify concrete solutions to improve rail transportation efficiency and service. Thank you for your time and attention to this matter.

Sincerely

A handwritten signature in black ink, appearing to read 'Tim Johnson', with a large, sweeping horizontal stroke above it.

Tim Johnson
United States Senate